



TAX EXEMPT STATUS FOR 4-H CLUBS AND AFFILIATED 4-H ORGANIZATIONS

As determined by the Internal Revenue Service (IRS), chartered 4-H Clubs and formally recognized affiliated 4-H organizations *under the control of Cooperative Extension* are eligible for inclusion as a subsidiary of National 4-H special exemption from federal income tax under the provisions which correspond to section 501(c)(3)* of the IRS Code. This means that:

- ✓ Formally authorized 4-H groups are exempt from paying federal income tax on funds raised on behalf of 4-H, or to support educational programs; and
- ✓ Donors may deduct contributions to 4-H clubs and affiliated 4-H organizations such as: bequests, legacies, devises, transfers, or gifts as applicable under the IRS Code.

The tax exempt status addresses only federal income tax and does not provide exemption from any state or local taxes, such as hotel tax, property tax, sales tax, or other taxes. While some states have granted certain tax exemptions for some youth organizations such as 4-H, the majority have not. Please check with your state or local taxing authority for information related to potential exemptions. There has also been some confusion since most Cooperative Extension and 4-H educators are public employees and are exempt from sales tax, it has sometimes created the impression that 4-H clubs or volunteers are automatically exempt from sales tax. The exemption for public employees does not automatically extend to clubs and volunteers.

DEFINITION OF A 4-H ORGANIZATION QUALIFIED TO BE A SUBSIDIARY

Any organization that functions for the purpose of furthering 4-H objectives and programs, and that has been formally authorized to use the 4-H name and emblem by the appropriate representative of the Cooperative Extension Service. This includes, but is not limited to, local 4-H Clubs; county, regional or State 4-H Councils; county, regional or State 4-H Committees; and 4-H leader associations. It may also include county, regional or State 4-H Foundations and authorized 4-H camps and training centers, when they operate under the guidance and control of Cooperative Extension; and funds authorized to use the 4-H name and which expend funds exclusively for 4-H purposes.

1. An important note is that for a 4-H group to be included as a subsidiary, according to the IRS, they must be under the guidance and control of Cooperative Extension. This means that affiliated groups that function under the authority of their own Board of Directors or other authorities would not qualify for inclusion and should establish their own tax exempt status.
2. Families – the IRS does not recognize a single family group as a qualified subsidiary for inclusion under the national 4-H GEN.

Inclusion of independent groups or families under our National 4-H GEN potentially jeopardizes the special tax exempt status continuing to be granted by the IRS to the 4-H program.

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National 4-H Headquarters; 1400 Independence Avenue, S.W.; MS 2225; Washington, D.C. 20250
www.national4-hheadquarters.gov



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Inclusion under the National 4-H Group Exemption

In order to be included as a subsidiary, the club or group must be officially recognized either through the official charter or other appropriate mechanism (see the [4-H Name and Emblem Authorization Continuum](#)) and, according to the IRS, *must be under the control of Cooperative Extension*. This means that affiliated groups with whom you may have a Memorandum of Understanding, and are under the control of an independent board or other entity, would not qualify for inclusion and should establish a separate 501(c)3 status.

Steps to be included as a subsidiary:

1. Obtain official recognition from the appropriate State 4-H Program Office;
2. Obtain a federal tax identification number or federal EIN (Employee Identification Number).

The EIN may be obtained on-line from the IRS at <http://www.irs.gov>. Search for and complete form SS-4, "Application for Employer Identification Number." For assistance in completing this form, please consult our [Sample SS-4 Form](#).

In the form, under Section 9a, applicants should note their entity as "Other" under the parent organization of "4-H Clubs & Affiliated 4-H Organizations." The IRS has assigned a federal income tax group exemption number to 4-H that must be used by all 4-H Clubs and affiliated 4-H organizations when filing or corresponding with the IRS. **The Group Exemption Number (GEN) is 2704**, which should be entered on the SS-4 under 9a. Alternatively, an EIN can be obtained by downloading the SS-4 and submitting it to: Internal Revenue Service, Ogden, UT 84201.

3. Submit a request electronically to National 4-H Headquarters at 4-H_tax_info@csrees.usda.gov for inclusion under the National 4-H Group Exemption Number. The request must include the following information:
 - a. Name of the 4-H Club or affiliated 4-H organization applying for subsidiary status;
 - b. Name of contact person, mailing address and contact information (phone, email);
 - c. EIN and effective date requested for inclusion under the Group Ruling; and
 - d. Proof of formal authorization from either a state or local Cooperative Extension Service official.
4. A certification letter confirming inclusion under the National 4-H Group Exemption and status as a tax exempt entity will be returned to the applicant to keep on file or for use when a potential funder requires certification of tax exempt status.

For questions concerning the tax-exempt status of 4-H Clubs or affiliated 4-H organizations, please contact National 4-H Headquarters—USDA at (202) 720-2908 or 4-H_tax_info@csrees.usda.gov. For additional Fact Sheets, Sample SS-4 Form, or other materials related to 4-H Tax Exempt Status or 4-H Name and Emblem, please visit <http://www.national4-hheadquarters.gov>.

*As an entity of the Federal Government, National 4-H Headquarters, and consequently, National 4-H, has not been classified as a 501(c)3 entity but has been given a unique exemption that is similar in scope. As a result, not all policies or privileges of 501(c)3 entities apply to National 4-H.



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